

Case: 06-10725-LBR  
Edward Kline  
in Pro Per  
9932 Arbuckle Dr.  
Las Vegas, NV 89134  
Tel: (702) 256-6429  
For: Edward Kline  
and Edward, Leah Kline  
Family Trust

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U.S. BANKRUPTCY COURT  
MARY A. STAFF CLERK

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA

In re:

USA COMMERCIAL MORTGAGE  
COMPANY,

USA CAPITAL REALTY ADVISORS,  
LLC,

USA CAPITAL DIVERSIFIED TRUST  
DEED FUND, LLC,

USA CAPITAL FIRST TRUST DEED  
FUND, LLC,

USA SECURITIES, LLC,

Debtors.

Case No. BK-S-06-10725-LBR  
Case No. BK-S-06-10726-LBR  
Case No. BK-S-06-10727-LBR  
Case No. BK-S-06-10728-LBR  
Case No. BK-S-06-10729-LBR

CHAPTER 11

Jointly Administered Under Case No.  
BK-S-06-10725-LBR

DATE: 10/15/07

Time: 9:30 AM

Notice to Lewis and Roca  
LLP Lawyers  
3993 Howard Hughes Parkway  
Las Vegas, NV 89169  
Of Notice to Object to  
Summary Motion regarding  
Claim # 10725-00527

Affects:

- ☐ All Debtors
- ☒ USA Commercial Mortgage Company
- ☐ USA Capital Realty Advisors, LLC
- ☐ USA Capital Diversified Trust Deed Fund, LLC
- ☐ USA Capital First Trust Deed Fund, LLC
- ☐ USA Securities, LLC

Notice is hereby given to Lewis and Roca that on August 14, 2007, Edward Kline filed a Motion to Disallow a Summary Judgement related to Claim #10725-00572. Along with notice Edward Kline is serving USACM Liquidating Trust with a copy of this motion.

(1)

1 This Petitioner wishes the Court to note that the USACM  
2 Liquidating Trust has employed another Firm, i.e. Geoffrey  
3 Berman, as Trustee (Development Specialists of Los Angeles)  
4 to present its Case to Bankruptcy Court. This again adds to  
5 the costs and reduces all Linder's equities.

6 The Court should also note that the number of Petitioners  
7 objecting to this Objection has increased to approximately 81,  
8 from about 4 since 4/26/07.

9 The facts as noted by Mr. Berman, items 1 - 25, may be  
10 undisputed but have no relevancy to this Petitioner's claims  
11 that USACM acted illegally by not disclosing that this loan  
12 was in default when USACM and Mr. Milanowski, et al, requested  
13 a renewal of this loan. (See letters of July 30, 2004 and  
14 July 7, 2005.) Giving false information and becoming an investor  
15 in the amount, \$3.5 million without disclosure is not acting  
16 in good faith, making some payments to avoid default, and  
17 not acting responsible to collect, foreclose, or protect  
18 the interests of investors per loan agreement. This was prior  
19 to the filing for Bankruptcy, thereby committing fraud.

20 Committing as illegal act should not be rewarded by  
21 absolving USACM and Milanowski, et al, through this USACM Liquidating  
22 Trust, especially since they have assets in Margarita Annex.  
23  
24  
25  
26  
27  
28



July 30, 2004

Edward Kline Trustee of the Edward Kline & Leah Kline Family Trust dated  
7/9/91

Edward Kline  
9932 Arbuckle Drive  
Las Vegas NV 89134

Dear Edward,

USA Capital would like to take this opportunity to thank you for investing in our First Trust Deed program. Your investment amount of \$100,000.00 in the Margarita Annex loan was funded on 7-30-04. You will start earning interest from 7-30-04.

USA Capital continues to underwrite all loans with the same care and diligence we have used since 1989. The interest for this first trust deed investment will be paid on or before the 10<sup>th</sup> of each month. USA Capital will fully service your investment, including monthly interest, statements, and tax reporting. If you have any questions or comments, please feel free to call (702) 734-2400. Thank you again.

Sincerely,

USA Capital



July 7, 2005

Edward Kline Trustee of the Edward Kline & Leah Kline Family Trust dated 7/9/91  
Edward Kline  
9932 Arbuckle Drive  
Las Vegas, NV 89134

RE: King: Margarita

Dear Edward,

*6/21/05  
Attention  
Signed 2/14/05*

Thank you for your participation in the John E. King and Carole D. King first trust deed investment through USA Capital. The borrower has approached USA Capital regarding extending this loan for an additional 6 months. The borrower is waiting for final entitlement approval, at which time our loan will be repaid through the sale of the property.

The John E. King and Carole D. King first trust deed investment will have a new maturity date of January 30, 2006. Your interest checks will continue to arrive around the 10<sup>th</sup> of every month. Please sign the enclosed **power of attorney and loan extension agreement**. If you should have any questions regarding this investment extension, please contact your Account Executive in Las Vegas at 702-734-2400, in Reno at 775-851-8180 or in Tahoe at 775-833-2233. As always, we appreciate your continued confidence and trust.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. D. Milanowski'.

Joseph D. Milanowski, CFA  
President

encl

1. Copy of Claim form
2. Receipt of investment in  
Margaret Annex
3. List of interest due to Creditor
4. Copy of Deed of Trust from Margaret
5. List of Contributors
6. Previously filed "Feedback" forms
7. Stamped return envelope and  
copy of Claim form

Sent 10/3/06

Edward RINE  
TO BMC